SHRI V. GOPALSAMY: Sir, as we are marching towards the 21st century, we are learning many things from the foreign countries. The banks in Switzerland have provided a very foolproof system of providing better security. Therefore, many of the VVIPs of this country also like to deposit their funds in the Swiss Banks. I would like to know from the hon. Minister whether our Government would consider what are the security systems that are provided in the Swiss Banks and whether it would introduce them here.

SHRI JANARDHAN POOJARI: (*Interruptions*): We have been continuously reviewing the security arrangements in the banks. What type of security system is required, that is being examined to ensure that we have improved set up of security arrangements.

MR. CHAIRMAN: Mr. Gopalsamy, have you got any information about how many robberies are there?

SHRI RAJIV GANDHI: Sir, we prefer an open banking system. We would not like to have that type of security system in India.

MR. CHAIRMAN: Mr. T. R. Balu. He is absent.

श्री लक्ष्मी नारायण : सर, क्या माननीय मंत्री जी यह बताने की कष्ट करेंगे कि बैंकों में जो फ्राड करते हैं एनटीयूसी यूनियन के लीडर और जो रिपोर्ट होता है उसके ऊपर एक्शन लिया है या नहीं ?

SHRI JANARDHAN POOJARI: This question relates to security, not to frauds.

Mutual Benefit Scheme

*47. SHRI PAWAN KUMAR BANSAL: Will the PRIME MINISTER be pleased to refer to the answer to Starred Question 313 given in the Rajya Sabha on 19th March, 1987 and state:

(a) whether any person or persons have since been found guilty in the seizure of Rs. 67.34 lakhs made under the Income Tax Act and if so, what action has been taken against the guilty persons including the officers who had abeted the running of the mutual benefit scheme in Punjab; and

(b) what is the number of claims settled and the amount restituted to the victims who were received by the operators of the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) A statement is laid on the Table of the House.

Statement

The Income Tax Department is concerned only with the income tax liabilties of the party M/s. Janata Janta Scheme (Regd.), Sirhind, and the offences, if any, committed by the said party under the Income Tax Act. So far as settlement of claims of the depositors against the party and allied issue under Indian Penal Code etc. are concerned these matters are within the puryiew of the state Government.

The seizure of Rs. 67,34,000 under the Income Tax Act was of unaccounted cash and it has duly been brought to tax in the hands of the firm M/s. Janata Janata Scheme (Regd.), Sirhind (Punjab), which consisted of two partners, Shri Tilak Raj and Shri Ashwani Kumar. Penalties under different sections of the Income Tax Act of more than Rs. 4.41 crores have been imposed. The state government authorities had arrested Shri Tilak Raj and Shri Ashwani Kumar in September, 1983 under sections 420, 406 and 506 of the Indian Penal Code.

Under the Income Tax Act, the seized cash could only be returned (if necessary) to the person from whose premises it was seized. In this case, no such need arose because huge income tax demands were created against M/s. Janta Janta Scheme

(Regd.) and therefore the entire seized amounts were duly adjusted against the same.

SHRI PAWAN KUMAR BANSAL: In this case over 90,000 poor people of Punjab deposited small amounts ranging from Rs. 100 to Rs. 500 or Rs. 1,000 with the operations of the scheme. The amount came to Rs. 5 crores rupees. I would like to know from the hon. Minister if this amount would be considered as the amount cheated by the operators from the depositors and not the income of the person; and therefore, income-tax would not be charged from it. I would also like to know whether this amount would be returned to the people who deposited it.

SHRI JANARDHAN POOJARI: We have searched the premises of this Janta Janta scheme. Here it was revealed that a sum of Rs. 19 crores has been taken as deposit. Out of Rs. 19 crores, Rs. 13 crores has been accepted as genuine and Rs. 6 crores has not been accepted as genuine. When the money has been found there, it is for the person who is in possession of that money to account for it. When he is not able to account for it, is considered as his income. On that account our Department has concluded it as income and a demand was made. It also included penalty. The amount which was found there, was not sufficient to meet the demand of the Income-tax Department. Hence whatever amount that was seized there was adjusted towards the demand of the Income-tax Department. So, we are not in a position to return that amount to the depositors. Even the Act itself says when an amount is seized from a persons it has to be returned to that person if it is properly accounted.

SHRI PAWAN KUMAR BANSAL: The amount in question is not income of the person but is the amount which he has extorted from the people. Surprisingly the reply that we have says that if necessary the person from whose premises it was seized it could be returned to him. That would, in fact, help him in getting back the money which he illegally got from the people. I want an assurance from the hon. Minister as to how the interest of the poor people who deposited the amount would be safeguarded.

SHRI JANARDHAN POOJARI: I share the concern of the hon. Member regarding the plight of the depositors, but unfortunately under the statutory provision we are not in a position to return the amount because that is the amount that is due to the Government. So far as the depositors are concerned, they have gone to civil courts to get redress.

MR. CHAIRMAN: Next question. Mr. Mehta.

Arrival of GEF-404 Engines for the Light Combat Aircraft from the USA

*48. SHRI KISHOR MEHTA:†
SHRI SURESH KALMADI:

Will the Minister of DEFENCE be pleased to state:

(a) what is the time schedule for the arrival of eleven GE F-404 engines for the Light Combat Aircraft from the USA;

(b) whether Government propose to order more of these engines;

(c) what is the time frame for the production of GTX engine at Bangalore and at what stage it is expected to replace the GE F-404 engine; and

(d) which airframe is being considered for use in the Light Combat Aircraft, alongwith GE F-404 engine?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFFNCE RESEARCH AND DEVELOPMENT IN THE MINISTRY OF DEFENCE (SHRI ARUN SINGH): (a) We hope

†The question was actually asked on the floor of the House by Shri Kishore Mehta.